A Consumer's Guide to Homeowner's Insurance in the State of Hawaii Insurance Division, State of Hawaii Department of Commerce and Consumer Affairs 335 Merchant Street, Room 213 Honolulu, Hawaii 96813 Phone: 808-586-2809

GENERAL INFORMATION

Homeowner's insurance is not required by law in Hawaii. If your home is mortgaged, however, your lender may require insurance on your home for the duration of your loan. Homeowner's insurance provides protection for your dwelling, personal property, and on-site buildings if damaged or destroyed by a covered peril. Perils are events (i.e. fire and explosion) which cause damage to property. In addition to property coverage for your home and outbuildings, each policy usually contains four additional coverages: personal property, additional living expenses, personal liability, and medical payments.

This guide provides a general overview of homeowner's insurance in Hawaii and is not intended to replace carefully reading your policy documents. Keep in mind insurers may have varying definitions of policy language and charge different rates for the same coverage. We encourage you to review your policy with your insurance agent to ensure your current provisions best suit your coverage needs.

TYPES OF HOMEOWNER'S INSURANCE POLICY FORMS

While coverage descriptions may vary, most insurers use one or more of the following policy forms. Comprehensive Form (HO-5), not listed, provides the broadest coverage but is uncommon.

BASIC FORM (HO-1)

Named peril coverage: fire, lightning, windstorm excluding hurricane, hail, explosion, vandalism or malicious mischief, damage by vehicles, aircraff and riots. Since few homeowners select this limited policy, many insurers no longer offer Form HO-1.

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HOME OWNER'S POLICY FORMS

BROAD FORM (HO-2)

In addition to the Basic Form (HO-1) coverages, this form also insures a home and personal property for collapse or damage from falling trees and other objects, and (under certain conditions) from steam and water damage.

As coverage increases so does your premium price.

SPECIAL FORM (HO-3)

Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiaton, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).

RENTER'S POLICY FORM

CONTENTS BROAD FORM (HO-4)

This policy provides renters personal property protection against the same perils as the Broad Form (HO-2) and includes personal liability protection. Unlike the other policy forms, the renter's HO-4 form only incorporates coverages C through F.

UNIT-OWNER'S POLICY FORM

CONDO OWNERS FORM (HO-6)

This condominum and townhouse unit owners form offers coverage for personal property and interior finishes. The condo association typically purchases a separate policy that covers the building (including common walls and grounds) and associated liability.

POLICY COVERAGES

Every homeowner's policy, except for HO-4, includes the following six coverages. If your policy's standard coverage is inadequate, endorsement forms may offer specialized coverage to meet your needs.

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- Coverage A: Covers main house damage. The coverage limit is typically set at or near the replacement cost of the home. For Condo Unit-Owners (HO-6), limit usually the declared value by insured. Coverage B: Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.
- Coverage C: Covers damage to or loss of personal property.
 - Coverage D: Covers additional living expenses (incurred by the insured) to continue the "normal" standard of living when the house cannot be occupied due to a covered loss.
- Coverage E: Covers personal liability exposures. Protects against a claim/lawsuit resulting from (non-auto & non-business) bodily injury or property damage to others caused by your negligence. Coverage F: Regardless of who is at fault, this coverage pays for reasonable medical expenses for persons (other than you or residing family members) accidentally injured on your property.

TYPES OF VALUATION

Replacement cost is the amount necessary to replace, rebuild, or repair your home/property without deducting for depreciation. Depreciation is the decrease in an asset's value due to age, obsolescence, and/or "wear and tear." Many insurers require policyholders to insure their homes for at least 80% of its replacement value.

Actual cash value (ACV) is the cost to replace, rebuild, or repair your home/property after deducting for depreciation. Most homeowner policies cover personal property on an ACV basis.

PREMIUM DEVELOPMENT CONSIDERATIONS (VARIES BY INSURER)

Your premium may be based on, but not limited to, the following factors: type of construction, loss prevention devices, public protection class, deductible level, amount of insurance, and policy form.

BUYING HOME INSURANCE

The key to insurance comparison shopping is identifying your desired deductible levels, coverage limits and provisions before getting premium quotes. Once your ideal policy parameters are selected (with your agent's assistance, if necessary), the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the emphasis placed on the following considerations: premium cost, service and financial stability. Generally, financial ratings from reputable sources (i.e. A.M. Best and Moody's) indicate an insurance company's financial "heath" and ability to pay claims. Note: if your agent only represents one insurance company, you may need to contact an independent agent to obtain competing quotes.



HOMEOWNERS POLICY (HO-3)

The Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii as part of our continuing effort to assist and educate consumers.

DWELLING CHARACTERISTICS

OAHU - SAMPLE ANNUAL HOMEOWNERS PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

Coverage A:	\$250,000	Year Built:	1980		2005		1990				
B:	10% of Coverage A	Construction:	Wood (Sin	gle-wall)	Wood (Dou	ıble-wall)	Masonry (CMU)				
C:	50% of Coverage A (ACV)	Roof:	Hip, asphal	lt shingle	Hip, asphal	t shingle	Flat, torched membrane				
D:	20% of Coverage A	Elevation:	15' above s	sea-level	15' above s	ea-level	15' above sea-level				
Section II (Lia	ability): \$100,000 Deductible: \$500	Add'l Factors:	Primary res	sidence	Primary res	idence	Primary residence				
Rates effect	ive as of January 1, 2012		No claims i	n 5 yrs.	No claims i	n 5 yrs.	No claims in 5 yrs.				
NAIC	Insurance Compa	anv.	Public Prote	ection Class*	Public Prote	ection Class*	Public Protection Class*				
Co. Code	insurance Compa	ally	3	10	3	10	3	10			
12502	Dongbu Insurance Co., Ltd. (U.S. Bra	inch)	208	291	163	228	208	291			
37265	DTRIC Insurance Company, Ltd.		281	311	196	217	281	311			
28487	Farmers Insurance Hawaii, Inc.		304	456	202	318	304	450			
10861	Universal Property and Casualty Insu	rance Co.	213	304	213	304	192	274			
41459	Armed Forces Insurance Exchange		254	355	234	327	254	355			
15598	Interinsurance Exchange of the Autor	nobile Club	283	346	257	315	283	346			
29068	IDS Property Casualty Ins. Co.		360	455	305	385	305	385			
23035	Liberty Mutual Fire Ins. Co.		376	474	308	388	325	419			
25180	Fidelity National Insurance Company		n/a	n/a	320	n/a	352	n/a			
25143	State Farm Fire and Casualty Compa	ny	440	520	378	448	365	431			
19615	American Reliable Insurance Compar	ny	512	717	486	681	512	717			
25941	United Services Automobile Associati	on	548	698	507	645	548	698			
25968	USAA Casualty Insurance Company		619	791	573	730	619	791			
18600	USAA General Indemnity Company		791	1014	730	935	791	1014			

OAHU - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

Н	IURRICANE POLICY	DWELLING CHARACTERISTICS (same as above)													
	nent Cost: \$250,000 Deductible: DED (below) tive as of January 1, 2012	Constructure Wind R Dev	ices:	`	ngle-wall) one	Hurricane	e roof clips on anchors	Masonry (CMU) Hurricane roof clips							
NAIC Co. Code	Insurance Company	/	DED	Public Prote	ection Class*	Public Prote	ection Class*	Public Prote	ction Class*						
Co. Code			U	<u>ა</u>	10		10		10						
12502	Dongbu Insurance Co., Ltd. (U.S. Bra	ınch)	2%	1421	1421	464	464	526	526						
10861	Universal Property and Casualty Insu	rance Co.	2%	1495	1495	595	595	533	533						
25941	United Services Automobile Associati	ion	2%	1758	1758	667	667	1201	1201						
25180	Fidelity National Insurance Company		1%	n/a	n/a	683	n/a	374	n/a						
15598	Interinsurance Exchange of the Autor	nobile Club	2%	1573	1573	745	745	581	581						
25968	USAA Casualty Insurance Company		2%	2009	2009	762	762	1372	1372						
29068	IDS Property Casualty Ins. Co.		5%	822	822	822	822	822	822						
41459	Armed Forces Insurance Exchange		2%	848	848	848	848	466	466						
19615	American Reliable Insurance Compar	ny	2%	939	939	939	939	939	939						
18600	USAA General Indemnity Company		2%	2611	2611	990	990	1784	1784						
25143	State Farm Fire and Casualty Compa	iny	2%	1240	1240	995	995	918	918						

^{*} The Public Protection Classification (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. On Oahu, your property's PPC is a 3 unless located more than five road miles from a recognized fire station and 1000 feet from a 4" hydrant (PPC 10). Please contact your agent for more information.

THE SAMPLE PREMIUMS VS. YOUR PREMIUMS

The premium cost of your Homeowners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent to obtain quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.



As part of our continuing effort to assist and educate consumers, the Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii.

SAMPLE PREMIUMS vs. YOUR PREMIUMS

The premium cost of your Homeowners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent for quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.

SAMPLE PREMIUMS EFFECTIVE AS OF:

January 1, 2012

PUBLIC PROTECTION CLASSIFICATION

* Public Protection Class (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. Please contact your agent to find out which classification applies to your property.

NEIGHBOR ISLAND - SAMPLE ANNUAL HOMEOWNERS PREMIUMS

NEIGHBOR ISLAND - SAWIFLE ANNUAL HOWEOWNERS PREIMIUMS																				
НОМЕ	EOWNERS POLICY (HO-3) ASSUMPTIONS	DWELLING CHARACTERISTIC ASSUMPTIONS																		
Coverage A: \$250,000 B: 10% of Coverage A C: 50% of Coverage A (ACV) D: 20% of Coverage A Section II (Liability): \$100,000 Deductible: \$500			i <u>lt</u> : 1980 ction: Wo p, asphal imary res	od (Sing t shingle				Year Bu Construct Roof: Hi Add'l: Pr	ction: Wo	ood (Dou It shingle				Year Built: 1990 <u>Elevation</u> : 15' above sea-level <u>Contruction</u> : Masonry (CMU) Roof: Flat, torched membrane Add'l: Primary residence, no claims in 5 yrs.						
NAIC Insurance Company		Public Protection Class*							Pu	blic Prote	ction Cla	ss*		Public Protection Class*						
Co. Code	mourance company		5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10	
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	208	208	208	228	270	291	163	163	163	179	212	228	208	208	208	208	270	291	
37265	DTRIC Insurance Company, Ltd.	281	281	281	311	311	311	196	196	196	217	217	217	281	281	281	311	311	311	
28487	Farmers Insurance Hawaii, Inc.	309	313	317	354	413	456	205	208	212	240	285	318	309	313	317	321	406	450	
10861	Universal Property and Casualty Insurance Co.		217	219	222	282	304	215	217	219	222	282	304	194	196	197	199	254	274	
41459	Armed Forces Insurance Exchange	254	254	254	279	330	355	234	234	234	257	304	327	254	254	254	254	330	355	
15598	Interinsurance Exchange of the Automobile Club	331	331	350	350	372	388	301	301	319	319	338	353	331	331	350	350	372	388	
29068	IDS Property Casualty Ins. Co.	356	367	367	384	403	431	302	311	311	325	341	365	302	311	311	325	341	365	
25180	Fidelity National Insurance Company	n/a	n/a	n/a	n/a	n/a	n/a	309	309	309	309	n/a	n/a	340	340	340	340	n/a	n/a	
23035	Liberty Mutual Fire Ins. Co.	400	408	408	432	455	485	328	334	334	355	374	397	339	351	360	360	383	428	
25143	State Farm Fire and Casualty Company	486	519	519	519	575	575	418	446	446	446	495	495	405	430	430	430	479	479	
19615	American Reliable Insurance Company	512	512	512	563	666	717	486	486	486	535	632	681	512	512	512	563	666	717	
25941	United Services Automobile Association	548	548	548	598	648	698	507	507	507	553	599	645	548	548	548	548	648	698	
25968	USAA Casualty Insurance Company	619	619	619	676	734	791	573	573	573	625	678	730	619	619	619	619	734	791	
18600 USAA General Indemnity Company		791	791	791	865	939	1014	730	730	730	798	866	935	791	791	791	791	939	1014	

NEIGHBOR ISLAND - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS

9	HURRIC	ANE POLICY ASSUMPTIONS					DW	/ELLING	G CHAR	ACTERI	STICS A	ASSUME	PTIONS	(same	as abov	e)					
<u> </u>	Replacer	Constructio Wind-Resistive De		Wood (Single-wall) None					Hu	all) tion Ancl	nors	Masonry (CMU) Hurricane roof clips									
	NAIC Inquirement Commons		,		Public Protection Class*							Public Protection Class*									
	Co. Code	Insurance Company	<u> </u>	4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10
	12502	Dongbu Insurance Co., Ltd. (U.S. Bra	nch) 2	% 142	1 1421	1421	1421	1421	1421	464	464	464	464	464	464	526	526	526	526	526	526
	10861	Universal Property and Casualty Insurance Co.			1495	1495	1495	1495	1495	595	595	595	595	595	595	533	533	533	533	533	533
	25941	United Services Automobile Association 2		% 175	3 1758	1758	1758	1758	1758	667	667	667	667	667	667	1201	1201	1201	1201	1201	1201
Ш	25180	Fidelity National Insurance Company	1	% n/a	n/a	n/a	n/a	n/a	n/a	683	683	683	683	n/a	n/a	374	374	374	374	n/a	n/a
	15598	Interinsurance Exchange of the Autor	mobile Club 2	% 157	3 1573	1573	1573	1573	1573	745	745	745	745	745	745	581	581	581	581	581	581
	25968	USAA Casualty Insurance Company	2	% 200	2009	2009	2009	2009	2009	762	762	762	762	762	762	1372	1372	1372	1372	1372	1372
	29068	IDS Property Casualty Ins. Co.	5	% 822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822
	41459 Armed Forces Insurance Exchange		2	% 848	848	848	848	848	848	848	848	848	848	848	848	466	466	466	466	466	466
Ш	19615	American Reliable Insurance Compar	ny 2	% 939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939	939
	18600	USAA General Indemnity Company	2	% 261	1 2611	2611	2611	2611	2611	990	990	990	990	990	990	1784	1784	1784	1784	1784	1784
11	25143	State Farm Fire and Casualty Compa	iny 2	% 124	1240	1240	1240	1240	1240	995	995	995	995	995	995	918	918	918	918	918	918